



# New Governance, New Democracy?

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### **Abstract**

Across the western world there is today a search for new models of democratic governance. Central, regional and local institutions are redesigned. Public service systems are transforming into market-like organizations of service delivery and in many countries there is experimentation with user boards, customer choice, stakeholderism and other new forms of interaction between the public sector and the citizen. Meanwhile, democratic governance looks surprisingly much like the way it did 25 or 50 years ago. Political parties still largely monopolize citizens' democratic input; elected officials are still held to account in quite traditional ways, and public administration still caters to such traditional objectives as legality, due process, and accountability. The paper reviews the transformation of governance from the vantage point of democratic values. The basic argument of the paper is that western democracies are currently implementing governance reform and administrative reform without much reflection of its democratic ramifications. The problem is exacerbated by the absence of any viable alternative model of democratic governance. Thus, while current reform undercuts the former role of political institutions and elective office, citizens and customers of public services are still left with traditional channels of representation and accountability.

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The Chinese curse “may you live in interesting times” seems to have been cast on the politicians, bureaucrats and constitutional architects in Western Europe. During the past two decades, the political agenda has to some extent fallen out of control of the political and administrative elites. International terrorism, pandemics, recurrent financial instabilities, global warming and migration have reshuffled political priorities.

Politics has also transformed itself. The neo-liberal political project that Mrs. Thatcher in the UK and Ronald Reagan in America set in train redefined the role of the state from a steering and intervening role towards a regulatory role, opening up for market-driven change. In the Anglo-American democracies and the Antipodes, with a large number of other countries following suit, neo-liberalism translated into New Public Management (henceforth NPM)-style administrative reform. In a similar spirit, the “new governance” became a catchword for reform during the 1990s, defining a new role for the state in society. The notion that the role of the state should be one of “steering, not rowing” (Osborne and Gaebler, 1992:25) became an influential metaphor both for NPM reform and for the definition of the role of the state in the governance that was promoted during the 1990s. The key point in that discussion, as Stoker (1998) points out, is not so much about what government does but rather how it does it.

Thus, the drivers of political change during the past twenty or so years have been both exogenous and endogenous to the political system. It is tempting to agree with those who suggest that the internal drivers of reform are institutional responses to the new external challenges facing the state (Sorensen, 2004). However, while that perspective certainly has merit, it probably underestimates the force and determination of the neo-liberal current across the western world during the 1980s and 1990s (Savoie, 1994).

State-society relationships have thus undergone considerable change, almost to the extent that the normative foundation of the state is challenged. Liberal democratic theory

emphasises a sharp distinction between state and society. With the emergent collaborative strategies in policy implementation and public service delivery that distinction becomes difficult to uphold, something which, in turn, has triggered a series of issues related to accountability and the exercise of political power.

In the midst of all these changes, however, the representative system of government looks remarkably similar to what it did 25 or 50 years ago. Political parties still largely monopolize citizens' democratic input. In Westminster systems as well as elsewhere the system of government still places cabinet ministers at the helm to be held to democratic account in case of political or bureaucratic malfeasance. That accountability rests on the Constitutional marriage between power and responsibility. However, given the profound changes in the process of governing and public service delivery—devolution, privatisation, agencification, management reform, new forms of collaborative strategies and contracting out, just to give a few examples (Pollitt and Bouckaert, 2004; Pollitt and Talbot, 2003)—the classical notion of political accountability becomes almost untenable. Power and accountability have been divorced, if not *de jure* so *de facto* and we now need to assess what this means for democratic governance.

NPM and governance reform have had profound repercussions on political leadership, both within the state and also in society at large. NPM emphasizes that the role of politicians in public service production should be to define long-term objectives and not to be engaged in day-to-day leadership which should be a task for autonomous managers. Governance reform, too, tends to downplay the role of political leadership by contextualizing the role of leaders in different collaborative arrangements.

Yet, again, despite the decreasing political control over the new collaborative governance and NPM-reformed public services, politicians are still held to account through traditional, century-old processes. Those processes were designed on the assumption that

political leaders had sufficient control and overview to be in a position to take responsibility for actions and non-actions within their jurisdiction. In the NPM model of service delivery, reform advocates have brought forward a new model of accountability; “customers” of public services have been empowered to articulate their preferences and hold service providers to account in new channels by choosing among competing service providers. However, the issue of how to integrate the market-based accountability of public services with the traditional, institutional mechanisms of democratic accountability has not been resolved. Meanwhile, the traditional instruments of democratic control and accountability are of little help, too, since elected officials play a much less of a command and control role today than previously.

This article reviews the transformation of governance from the vantage point of democratic values. It is focused on two aspects of this problem. First, how do traditional political and administrative institutions adapt to their new role in governance? What problems arise as institutions forge networks and partnerships with societal actors and pursue collective goals through such collaborative strategies? What challenges do the emergent models of governance pose to traditional representative institutions and to the bureaucracy? Since conventional democracy is a process of steering and accountability through political institutions, what problems will an institutional adaptation to new governance forms entail to traditional democracy?

Secondly, to what extent can emergent, alternative governance arrangements provide transparency and democratic input and accountability? To what extent do market-based models of service delivery, stakeholderism, network governance and other governance models offer an alternative to the traditional model of democratic and accountable government? To beg the question, as we reinvent governance, do we need to reinvent democracy as well?

Both of these sets of questions would obviously require a substantive research effort to be properly investigated. The main purpose of the paper is not to deliver an empirical analysis of that size and scope but rather to investigate how the institutional design of traditional and emergent governance models relate to the fundamental norms and values embedded in the conventional model of democratic government. The paper argues that most of the emergent governance models cater primarily to objectives related to efficiency and performance and less to the objectives of democracy and accountability. As a result, those models tend to create inequalities among different groups of citizens and disaggregate the polity. Despite extensive experimenting, the architects of reform have not figured out how to square the circle combining the institutional requirements of traditional democracy through elected officials with the requirements of flexibility and autonomy that lead to increased efficiency. Instead, accountability based on procedure is giving room for accountability based on performance, something that places traditional democratic institutions of accountability in an awkward position. “Governing without government” is essentially government without democracy as we know it. Indeed, the phrase “as we know it” is the focal point of this paper; are there contending or emergent models of democracy that can help solve the problem of the democratic deficit in the “governing without government” model?

The article is organized as follows. The next section discusses the challenges the contemporary state faces in providing governance. That discussion is followed by an analysis of the institutional responses to those challenges. Then, the article assesses emergent alternative models of governance such as networks, stakeholder or user models and market-based models of governance to see to what extent they provide sustainable alternatives to democratic governance. A concluding section closes the paper.

## **The challenges of governance**

The governance literature offers a wide variety of examples of the increasing of governance facing the modern state (Rhodes, 1997; Stoker, 1998; Pierre and Peters, 2000). Contemporary society is becoming increasingly complex and difficult to steer or control. Domestic markets and their actors are inserted into global markets—indeed, the domestic-global distinction is more and more difficult to make—which makes them both difficult and sensitive to regulate. The European states are deeply embedded in international collaboration of which the European Union is the most advanced case in history. Managing the contingencies, but also the opportunities, that the EU membership entails is in and of itself a source of major complexity (see, for instance, George, 2004).

Furthermore, governments have faced a long-term problem with regard to revenues. During the 1990s, many countries experienced an economic downturn and growing discontent with taxes. The neo-liberal project defined tax cuts as one of its key objectives. Many governments have scored political points in that pursuit at the same time as the tax cuts confronted them with a different type of challenge; that of politically managing cutbacks.

Another set of challenges to governance is related to the decreasing level of popular trust in politicians, and less so in the institutions of government. In the western world, the typical pattern of allegiance and trust is that people trust institutions to a much higher degree than they trust politicians (Klingemann and Fuchs, 1995). Even so, however, a deep lack of trust in elected officials is a serious impediment to political leadership (Togeby, 2003). Also, some challenges to providing governance are self-inflicted. The policy capacity of the government, i.e. its capacity to retrieve and process information and produce effective policy, has been reduced and dispersed over the past 10-15 years (see Painter and Pierre, 2005).

Government departments today increasingly solicit policy advice from external sources such as think tanks and experts because the in-house expertise has been cutback or “outsourced”.

Institutional reform such as devolving institutions and agencification has, in the reform vernacular of the 1990s and 2000s, probably increased the operative capacity of the state at the same time as it has created or exacerbated problems of horizontal coordination. The regional level of the political system has witnessed considerable institutional reform in almost all European countries during the past decade, partly in response to the EU structural funds. However, the trade off between ensuring democracy and accountability on the one hand and strengthening the operative capacity on the other hand is difficult to make, and, as Newman (2000:895) suggests, “nowhere is the feeling that the institutional mixture is about right”.

The challenges to governance do not end at home, however. We mentioned earlier the continuing integration and consolidation of the EU as a set of challenges confronting its member states. In addition, the contemporary state is embedded in complex webs of international organizations, networks and single-issue commitments (“agendas”, “protocols”) that, taken together, pose a major challenge to its capacity to deliver governance. These international contingencies do not necessarily represent structures to which domestic politics must adapt but they certainly present a set of exogenous factors that must be considered in domestic policy making.

The observant reader might object that many, if not most of these challenges are as old as government itself and that, by and large, governments have handled those challenges fairly successfully so far. The fact that some of these challenges are not new does not make them any less difficult to handle. Tax fatigue, cynicism with elected officials and a gap between popular expectations and what the state can deliver are probably perennial features of democratic government. Similarly, almost all states have had to deal with various



international contingencies throughout much of their existence. The novelty of the argument lies rather in the accumulated complexity of several of these governance challenges at once. The combination of international embeddedness and growing coordination problems in government, to give an example, creates a scenario in which a complex system is to handle complex situation.

The concrete manifestation of these challenges to government as they provide governance varies, needless to say, among different national contexts owing to economic and political differences as well as to the degree of their international exposure. So does the political response to those challenges; some governments insist on maintaining control and attempt to introduce more obtrusive steering if traditional instruments fail. Other governments take social and international complexities as a token that they should not try to steer but instead play a more low-key, coordinating role. For instance, the responses to globalization has played out quite differently in different countries; some governments have adopted the policy that since globalization is beyond political control there is little point in trying to control it whereas others have questioned the (purportedly neo-liberal) globalization argument and stuck to traditional policy styles and measures (Weiss, 1998).

### **A conspicuous institutional stability**

Despite the increasingly dynamic environment of the state and extensive institutional reform in the public bureaucracy, very little has happened in terms of constitutional reform. An almost idealized form of representative government remains the practiced model of representative democracy. Political representation overwhelmingly remains representation through political parties and political institutions, yet citizens perceive those institutions and their politicians with growing scepticism and mistrust (see, for instance, Togeby, 2003). To

some, these institutions are obsolete structures whose constitutional mandate and function have not been adapted to the social, political and bureaucratic realities of the 21<sup>st</sup> century.

A related problem is that institutional reform has shifted control from representative towards executive institutions and weakened the link between those two types of institutions. Thus, today democratic input and accountability still rest with institutions whose effective control over the bureaucracy and the public service has been significantly reduced. Indeed, management reform tends to perceive those institutions as barriers to increasing efficiency and a customer-attuned public sector. Their control presupposes some degree of hierarchy, political allocation of resources and centralization, all of which is at odds with the keystones of NPM reform such as the separation of policy and operations, the empowerment of managers, the institutional devolution at the centre and the focus on performance.

That having been said, institutional continuity is not necessarily a bad thing, particularly in the case of institutions created to facilitate democratic governance. In order for state-society linkages to become institutionalized and recognized as legitimate, it is essential that there is some degree of permanency and continuity in order to facilitate social learning. Legitimacy and trust require time. Further along that avenue of thought, it might not be a good idea to conduct large-scale Constitutional reform to adapt the political system to every passing fad and trend in public management reform whose shelf life has been known to be rather short. There are also examples of such reform, not least in the management forerunner cases of Australia and New Zealand, which seek to ameliorate the problem of political and democratic deficit by creating a more “integrated governance” (Halligan, forthcoming). All of this notwithstanding, the core of management reform does seem to be here to stay and so we need to assess how it fits with the conventional model of democratic government.

**Institutions and governance in political analysis: towards a synthesis.** The problem of understanding the challenge of governance to political institutions is a complex task both to practitioners and academics. The growing tension between the ideal-type model of representative government as defined by liberal democratic theory on the one hand and the current challenges to the state in terms of providing governance on the other is clearly reflected in political science analysis just as much as in contemporary reform. The past two decades have seen two significant, and seemingly conflicting, developments in political science. One is the strong focus institutions and their capacity to “shape and constrain” (Thelen and Steinmo, 1991:10) political behavior (for overviews, see Koelble, 1995; Remmer, 1997). This “new institutionalism”, which can be traced back to the 1980s and the path breaking work by scholars such as James March and Johan P. Olsen (1984, 1989) and Peter Hall (1986), echoed Theda Skocpol’s argument that the state should be treated as “an *actor* whose independent efforts may need to be taken more seriously than heretofore in accounting for policy making and social change” (italics in original) (Skocpol, 1985:21). Thus, this group of scholars sent a powerful message that political institutions shape political preferences and action; they are causal factors in policy analysis; and they should be the first priority for anyone interested in explaining political and social behavior.

Real-world events would intervene, however. As Remmer (1997:52) noted in the late 1990s, “institutional approaches carving out a relatively autonomous causal role for political processes have risen to the forefront of political analysis precisely when economic constraints have drastically narrowed the range of feasible policy options”. Economic downturn, coupled with the neo-liberal conviction that the state by its sheer size and interventions in fact caused many of the problems it tried to solve delivered a significant blow to institutional analysis.

Or did it? The other area of dramatically growing interest among political scientists during the 1990s and 2000s has been democratic governance (for overviews, see Kjaer, 2004; Pierre, 2000). This debate can be dated to the mid-1990s when Rod Rhodes first defined the “new governance” as “governing without government” (Rhodes, 1996) and later portrayed governance as “self-organizing inter-organizational networks characterized by interdependence, resource exchange, rules of the game and significant autonomy of the state” (Rhodes, 1997:15).

At first glance, this perspective seemed to take issue with the institutionalists’ ideas about the sources of political power, and indeed about the nature of that power.<sup>i</sup> However, some scholars in the governance field argued that the changes in the external environments of the state caused a transformation of the state and its institutions, which is rather different from a decline of the state (Mann, 1997; Sorensen, 2004). The main role of political institutions in the process of governing was seen as that of defining collective interests and to serve as a “hub”, coordinating the actions of state and non-state actors (Pierre and Peters, 2000).

As this very brief analysis of institutional analysis and governance research shows, these research fields complement each other rather compete. If institutional analysis uncovers the significance of structure and norms in political life, the governance approach adds attention to process and agency to the table. For the present analysis, the key aspect of governance is that it challenges us to rethink the role of political institutions in the process of governing. To put this slightly differently, the core questions in this research are: what is the role of government in governance? What causes this role to change? What are the main challenges to these institutions, and how capable are they of transforming themselves to meet new demands?

These are precisely the questions this article is concerned with. The challenge to rethink the role of political institutions in the context of emerging governance arrangements is at the heart of this article, to reiterate its two themes: to what extent can the institutions of government adapt to the challenges of governance, and to what extent can emergent models of governance provide some degree of democratic input and accountability? Let us now address these two themes in more detail.

### **Political institutions in the new governance**

An assessment of institutional change in order to meet the complex challenge of governance needs to differentiate between administrative and representative institutions.

**The public administration.** The issue of governance reform in the public bureaucracy is a key issue in public administration research. As Kettl (2002:xi) suggests, there is “an emerging gap” between the structures and functions of government and the process through which government achieves its goals. Previously, government, through hierarchical systems of administration, was in control over service delivery and policy implementation. Over the past couple of decades much of that has been done in concert with non-governmental actors. This change has disrupted the logic of hierarchy, control and accountability.

The public bureaucracy has been the target of massive management reform. Part of that reform has been structural, such as the creation of autonomous operative agencies in many countries (Pollitt and Talbot, 2003) or the “hiving off” of specific services to the private sector through privatization or contracting out. Other parts of the reform have targeted the modus operandi of the bureaucracy. Managing NPM-style bureaucracies has entailed new tasks (purchasing, managing contracts, performance measurement, and so on) that have

required the development of new skills and knowledge (see Halligan, forthcoming; Pollitt and Bouckaert, 2004).

NPM created a momentum of administrative reform and change in the public service that governance reform seems to have capitalized on. The frontline of the public sector is today much more open towards networks and key players in its external environment than it was 10-15 years ago. It appears as if not only academics but practitioners too have taken Rhodes' account of powerful networks to heart; public sector institutions today themselves create networks with actors in their environment as instruments of gathering information, bargaining, persuasion, collaboration, and policy implementation (Fell, 2008). This blurring of the border between the public sector and its environment has gone even further at the local government level in many countries where partnerships, joint ventures and contracting out social services have a long tradition.

Thus, the public administration has witnessed extensive, if not profound, reform during the past two decades, some of it in the guise of NPM reform and some of it to make the bureaucracy better geared to engage in different forms of collaborative strategies of governance. These developments have not gone unnoticed by those who caution against compromising the institutional integrity or the "publicness" of the public administration (Frederickson, 2007; Kettl, 2002; Peters, 2008a; Pierre and Painter, forthcoming; Suleiman, 2003). However, governance reform, and even more so NPM reform, insists that the public bureaucracy opens up to its external environment. Even in those areas of the public sector where legal authority is exercised and which would appear to be reserved for public sector ethos and norms, there is today a tendency to bring in the private sector by using consultants or contracting out elements of deliberation and analysis. Governance reform may be helpful in finding efficient strategies of policy implementation in a complex environment, but engaging that environment requires the bureaucracy to allow for lower-level discretion and some degree

of openness. Partnerships and networks are two-way streets and public institutions cannot expect to find much willingness to share resources among actors in its environment unless it offers some of that willingness itself.

**Representative institutions.** If there thus has been extensive, almost continuous reform in the public bureaucracy for the past two decades or so, we find almost exactly the opposite pattern with the representative institutions of government. Certainly, government departments are frequently reorganized along with changing political priorities, but the key function of departments and its execution remains almost identical to what it was 20 or 40 years ago. The core of the democratic system still exercises considerable political control through its budget, legislation and regulation. The budget process in many countries has been modernized and adapted to performance management and to the new institutional landscape. In the EU member states, core political institutions have been reorganized as a response to the exchanges with EU institutions and the harmonization of legislation and regulation.

Overall, central government reform in many countries seems to follow two seemingly inconsistent paths of devolution and presidentialization. One “trajectory of reform” (Pollitt and Bouckaert, 2004) has been to devolve authority to executive agencies, to regions and in many national contexts also to local government. This process has been driven a notion that centre should not be involved in the operative side of governing and administration but rather coordinate and regulate from a distance. This philosophy can be traced back to NPM but also to the EU’s notion of empowering member state regions.

The other reform process has been a concentration of political power to the top executive leadership (Helms, 2005; Poguntke and Webb, 2005). These parallel processes would at first glance appear to contradict each other. The explanation to the paradox seems to be that there is a concentration to the political executive of those powers and capabilities that

are still controlled by the centre. It is also clear that devolution and presidentialization both undercut the position of representative institutions. Institutional reform, either in a structural or a procedural sense, thus seems to take place everywhere except in the traditional institutions of political representation.

Let us now turn to the emergent governance instrument to see to what extent they can offer any alternative opportunities for citizens to articulate their political preferences or hold political leaders to account.

### **Emergent alternatives to traditional democracy**

This section will briefly review four governance models that have gained attention in the governance debate; network governance, stakeholderism, user boards and political input and accountability through market-based public service delivery.

**Network governance.** We mentioned earlier networks as almost a defining feature of the “new governance” (Rhodes, 1997; Sorensen and Torfing, 2007). Networks are usually informal groups of actors sharing an interest in a specific set of issues. Networks can also be instruments of territorial mobilization. Their attractiveness stems from the informal organization, the absence of hierarchy and their closeness to the issues to be resolved.

In terms of their composition, networks can be exclusive or inclusive. Exclusive networks are usually fairly organized, and membership is restricted. New members are admitted after deliberation among the existing members. The reason for such restricted membership is that the network wants to ensure that there is a high degree of homogeneity among the actors in terms of objectives and values. Inclusive networks, by comparison, want



to maximize their membership and allow essentially everyone who wants to join to enter the network.

Both models have their strengths and weaknesses. The exclusive network model offers a high organizational capability and the homogeneity of the actors guarantees that there is little disagreement regarding objectives and strategies. The inclusive network model can help mobilize a community or a neighbourhood and can present impressive membership figures. However, those networks are diverse in terms of objectives and members and since networks rarely have a formalized process of conflict resolution there is some risk that the network will not be able to accomplish very much.

Is network governance a viable alternative to traditional democratic government? There are several democratic problems associated with network governance. One such problem, as Mette Kjaer (2004:55) argues, “is that networks usually only serve some interests, and not the aggregated interest; the common will”. Whether inclusive or exclusive, networks cater only to the interests of their members and not to those of the larger polity. An additional problem is the transparency of networks. These organizations may be internally open but offer very little transparency to those outside the network. Broadly speaking, the informality that characterizes most networks suggests that although they might cater to external interests and offer some degree of transparency there is no guarantee that they will. Democracy as an option is not a very satisfactory arrangement if we want networks to assume a larger role in democratic governance. The key problem is that democracy requires some degree of formality to ensure equal say, conflict resolution and accountability, yet the founding principle of most networks is their informality.

**Stakeholderism.** If network governance is a nebulous concept, stakeholderism is somewhat easier to pin down. The idea here is that actors with an interest, a stake, in public services

should have an input on the management and operations of that service. The notion of stakeholder has its roots in private management theory and thus originated in the corporate sector as related to shareholder. The political meaning of stakeholder could include citizens, interest groups or private businesses—essentially all those who have an interest in, or are associated with a particular public service (Ackerman and Alstott, 1999). Stakeholderism thus suggests that those who use, or are potential users, of a service should have a privileged influence on that service but also that they have some degree of responsibility for the service.

Stakeholder arrangements are quite common. Private businesses often have privileged access to local politicians and managers. University boards in many countries are made up of representatives for societal actors with an interest in higher education. State-owned corporations, too, tend to place stakeholders on their boards. The philosophy sustaining the stakeholder model is that those with an interest in a public service are also more likely to be involved and concerned about the development of that service than non-users.

To what extent a governance arrangement is a stakeholder model depends ultimately on how stakeholder is defined. That issue puts the finger on one of the core problems of stakeholderism. If we use higher education as an example, how do we define who is a stakeholder and who is not? Clearly, students and staff are stakeholders, but so are the local business community, many NGOs and, indeed, the taxpayers. Who, to beg the question, does *not* have a direct or indirect stake in higher education? If we are to take the notion of life-long learning seriously, that would define much of the adult population as stakeholders in higher education. Furthermore, university boards (at least in public universities) allocate public funds and there is a strong need for public control and accountability, a requirement that might put stakeholders at odds with other actors in university management. Finally, stakeholderism has the problem of granting one group of actors a privileged position vis-à-vis others and thus disaggregating the polity. As a more general alternative to conventional

democracy, stakeholderism does not offer the inclusive opportunities for involvement that we associate with democracy. This also means that popular input and accountability becomes limited and selective.

**User boards.** A more elaborated version of stakeholderism is the user board model. These boards, whose status in management can range from advisory boards to decision-making structures, are made up of those who utilize a public service. User boards are rather common in the Scandinavian countries, e.g. in primary education, care of the elderly, child-care facilities and hospitals (see Jarl, 2005). As governance instruments they thus share several features with the stakeholder model, but they are more institutionalized than most stakeholder arrangements. By identifying users as participants they also escape the tricky problem of defining stakeholders.

As is the case with stakeholderism, user boards tend to create a gap between those who use a service and the rest of those who provide the financial resources for it. Again, disaggregating the polity and give one group a privileged governance position does not rhyme with traditional democratic values. That said, users clearly have a stake in the service they use, and as a governance instrument it is in many ways logical to exploit that concern and involvement.

A key issue is the degree of influence given to the user boards and how that influence compares to that of the traditional institutions that make decisions concerning the public service in question. If the user boards are given authority to make decisions that essentially overrule political decisions there will be complex problems of accountability. If, on the other hand, user boards are not given any real influence over the public service, users may feel that they are being taken hostage and that their presence in the public management

process is merely symbolic. Thus, either way there will be problems of balancing the interest of users against the authority of the political board managing the public service.

**Market-based models of service delivery as a governance instrument.** The early management reform advocates saw the creation of customer-choice models in public service delivery as a key element of reform (Osborne and Gaebler, 1992). Choice would help adapt public service to individual needs and increase customer satisfaction. The choice system would also give customers an instant input on public service. Instead of trying to bring about change through a complex and slow political process, the choice model was seen as an instrument to allow customers to voice their preferences and target it directly at service providers. By the same token, customer choice was seen as a new and far more efficient system of accountability; users of services, through their choices, identified those service providers who delivered good services and not so good services. Thus, here was a model of every-day democracy; service users could influence public service instantly, directly and continuously instead of only on Election Day.

Does this model of service delivery offer democratic input? It certainly offers input in terms of service provision but it is a very narrow and selective input confined to very specific issues. We would expect democratic input to be both broader in terms of the range of issues it covers and also to be not just an articulation of individual preferences but input and engagement in the public discourse on a wider range of political matters as well.

Accountability, too, is problematic; customer choice offers a type of accountability but it is accountability of performance, not of procedure. In traditional democracy, procedure and performance are both subject to control and accountability. Thus, for all its virtues customer choice models are not a viable substitute for traditional models of democracy; it is at best a supplement to the democratic process.

The picture is more complex, however. A growing body of research suggests that political legitimacy is increasingly created not at the input side of the political system, i.e. through representative institutions, but rather at the output side where citizens engage the public service (see Peters, 2008b; Scharpf, 1999). This is believed to be particularly the case where there is democratic deficit in governance, as is said to be the case in the EU. One might argue that if this is the case, i.e. that preference articulation and some degree of input as well as the creation of legitimacy all takes place as citizens engage the public service and not so much when they interact with representative institutions, maybe the problem of a rigid representative system is not such a big problem. The key point here is that representation and administration are intertwined processes where one cannot replace the other.

To sum up the discussion so far, a common denominator among the emergent models of governance and administration is that they cater more objectives of efficiency and flexibility than to ensuring democracy and accountability. They tend to perceive democracy and involvement in governance as a continuous process and not an activity confined to general elections. In that respect, they can serve the benevolent purpose of engaging citizens in public affairs. The problem with these models, however, is that neither of them offers an alternative to traditional models of popular preference formation and articulation, political representation and accountability. To be sure, the “new governance” or NPM schools of administrative reform have not presented any alternative representative structures or processes to replace the traditional mechanisms of political and democratic representation. The advocates of governance and management reform insist that market-based service delivery offers clients instant input and accountability through customer choice. It does, but it is a different kind of input and accountability than the ones we usually associate with democratic government.

## **Democracy Old and New?**

Many western democracies are currently implementing governance reform and administrative reform without much reflection of its broader democratic ramifications. For instance, empowering citizens as customers serves some purposes in administrative reform although the consistency of that reform with the traditional system of democracy was not seriously assessed. If there is anything to be learned from recent administrative and governance reform, it should be that democracy and administration are integrated processes where reform in one process will impact the other. While there have been extensive reform in the sphere of administration—including reform that redefines the relationship between the administration and the citizen—we have seen very little reform indeed in the sphere of democracy. The basic tension between performance and representation—or, more broadly, between efficiency and democracy—has not been resolved. As a result, there is now a growing disjuncture in the system of government between the institutions of representation and those of administration. Traditionally, citizens elect politicians to govern. Politicians delegate some of their democratic authority to the public administration, but “holding public administration accountable for that delegation...is the keystone of democratic accountability” (Kettl, 2002:x).

As we have seen, the search for new forms of governance has created collaborative, frequently informal, strategies and institutions with key actors and interests in the political institution’s environment to achieve goals related to policy implementation and service delivery. At the same time, however, those institutions remain the critical channels between electors and elected. Emergent models of governance and New Public Management-type of public service production expect elected officials to surrender much of their control to “managers” in order to separate “policy” from “operations”.

How does that arrangement fit with the traditional model of democratic, representative and accountable government? A number of scholars have pointed at the changing character of political accountability in the wake of public management reform (Aucoin and Heintzman, 2000; Barberis, 1998; Mulgan, 2000; Polidano, 1997; Thomas, 1998). These observers are not alien to the introduction of performance-related accountability or accountability exercised by citizens as “customers” through market choice in public service delivery. However, several raise questions about what these changes mean to the traditional process of political and administrative accountability. The good news, some might say, is that in a public administration system where many key decisions are made by autonomous managers, not politicians, it makes sense to move accountability closer to service production and away from elected officials whose role consists mainly of setting long-term goals and objectives.

The bad news, other would object, is that at the end of the day we need to consider the fact that public administration is a creature of the state and as such a pillar of democratic governance. Market-based models of public service and accountability empowers the customer to voice preferences among service providers but it provides no aggregation of preferences, no discourse on political objectives, no deliberation and debate, and no sense of the collective nature of political projects. It allows the *customer* to choose among a pre-defined set of service providers but it does not allow the *citizen* to question the political priorities concerning those services relative to other political commitments.

The critique against these elements of NPM has been quite pointed. Ezra Suleiman (2003:2) recently asked, “democratic societies are based on legitimacy, which itself is largely based on effectiveness. How can governments preserve their legitimacy if they deny themselves the means of being effective?” To Suleiman, recent administrative reform has not just changed the nature of the public administration—it has been tinkering with a cornerstone

of democratic government. The public bureaucracy is a creature of the state hence changing the structure or modus operandi of the bureaucracy is a political project. What is ultimately at stake is the “publicness” of the public administration: “as government loses control over functions considered to be public, it may lose the ability to effectively direct the society; it may lose the steering ability that constitutes the root of what we call government” (Peters, 2008a:379). “Publicness” and legitimacy are closely related—a great deal of the legitimacy of the public service is derived from its adherence to legality and democratic accountability—and tampering with the “publicness” of public administration will impact its legitimacy.

### **Concluding discussion**

Public administration is granted authority through delegation from elected politicians. The accountability of that delegation is integral to democratic accountability. NPM reform and to some extent the introduction of new governance arrangements have complicated that accountability. As a result, there is today a growing tension between the goals of democracy and efficiency in the administrative system in many countries.

While there has been extensive reform implemented to enhance the efficiency of the public bureaucracy, very little has been achieved in the area of modernizing the practice of democracy. Emergent governance arrangements as networks, stakeholder arrangements, user boards or market-based models of customer choice empower the customers of public services. However, it is an empowerment that at the same time disaggregates the polity. Citizens are redefined as customers with little concern for political discourse or involvement in public affairs. For such involvement, the citizen is referred to traditional models of political representation.



Just as politicians and bureaucrats in the Antipodes are now busy “rebalancing” their systems to restore the role of the public administration in democratic governance, so should constitutional architects in several other national contexts critically assess the ramifications of administrative reform on the democratic governance. We do, as the Chinese saying goes, live in interesting times.

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<sup>i</sup> Governance research today displays a rather wide array of models and perspectives, ranging from network analyses (Sorensen and Torfing, 2007) via governance models based in social complexity (Kickert 1997; Kickert et al., 1999; Kooiman, 1993, 2003; Pierre and Peters, 2005) towards studies of governance from a more state-centric perspective (Pierre and Peters, 2000). Governance research departs from the growing complexity of society which makes traditional models of governing less efficient and propels collaborative arrangements of governing and service delivery (Ansell and Gash, 2007).